



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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## **MBA PROFESSIONAL REPORT**

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**A Comparative Analysis of  
Congressional Budget Adjustments for  
U.S. Special Operations Command**

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**By: Lauren R. Baker, and  
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December 2011**

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**A COMPARATIVE ANALYSIS OF CONGRESSIONAL BUDGET  
ADJUSTMENTS FOR U.S. SPECIAL OPERATIONS COMMAND**

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from the

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## **ABSTRACT**

The 1986 Defense Authorization Act included the Cohen-Nunn Amendment establishing a unified combatant command for Special Operations Forces (SOF), U.S. Special Operation Command (USSOCOM). USSOCOM's budget has close to tripled between September 11, 2001 and the fiscal year 2012 budget while manpower has almost doubled. These statistics provide sound basis for analysis of USSOCOM's budget and supplemental funds.

The purpose of this report is to analyze a segment of U.S. Special Operations Command (USSOCOM) budgets to see if there is a common theme or reason behind adjustments. Some adjustments are solicited by the services, some by Office of the Secretary of Defense (OSD) direction, and some are non-solicited adds. The past ten years have had significant effects on all Department of Defense (DoD) and USSOCOM budgets. This research categorizes USSOCOM changes and provides recommendations for future research.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

APPR CONF	Appropriation Committee Conference
AUTH CONF	Authorization Committee Conference
BA	Budget Authority
BES	Budget Estimate Submission
C4I	Command, Control, Communications, Computers, and Intelligence
CY	Calendar Year
DAU	Defense Acquisition University
DoD	Department of Defense
DPPG	Defense Planning and Programming Guide
FY	Fiscal Year
FYDP	Future Years Defense Plan
GAO	Government Accountability Office
HAC-D	House Appropriations Committee – Defense
HASC	House Armed Services Committee
HMMWV	High-Mobility Multipurpose Wheeled Vehicle
MILPAY	Military Pay
NCCA	Naval Center for Cost Analysis
NDAA	National Defense Authorization Act
NMS	National Military Strategy
NSS	National Security Strategy
O&M	Operation and Maintenance
OCO	Overseas Contingency Operations
OMB	Office of Management and Budget

OSD	Office of the Secretary of Defense
PDI	Partnership for Defense Innovation
POM	Program Objective Memoranda
PPBE	Planning, Programming, Budgeting and Execution
QDR	Quadrennial Defense Review
RDT&E	Research, Development, Test and Evaluation
ROI	Return On Investment
SASC	Senate Armed Services Committee
SOF	Special Operations Forces
SOCOM	Special Operations Command
UAV	Unmanned Aerial Vehicle
USSOCOM	United States Special Operations Command



## **I. INTRODUCTION**

### **A. PURPOSE**

The purpose of this report is to analyze a segment of U.S. Special Operations Command (USSOCOM) budgets to see if there is a common theme or reason behind adjustments. Some adjustments are solicited by the services, some by Office of Secretary of Defense (OSD) direction, and some are non-solicited adds. The past ten years have had significant effects on all Department of Defense (DoD) and USSOCOM budgets. This research will categorize USSOCOM changes and will attempt to provide recommendations for effective budgeting in the future.

### **B. BACKGROUND**

The tragedy of Operation Eagle Claw in April of 1980 sparked congressional attention for the need to create a unified combatant commander for Special Operations Forces (SOF). Eight service members lost their lives while attempting to rescue 53 American hostages held at the U.S. Embassy in Tehran, Iran. Without standardized training and communications between the Army, Navy, Air Force and Marine Corps, Operation Eagle Claw was a failure and the need for a joint Special Operation Force was made apparent (USSOCOM, 2011).

The 1986 Defense Authorization Act included the Cohen-Nunn Amendment establishing a unified combatant command for SOF that is commanded by a four-star officer. Admiral William H. McRaven is the current USSOCOM Commander. Title 10 made USSOCOM responsible for the development and acquisition of SOF peculiar equipment and for program budget and execution.

USSOCOM's budget has close to tripled between September 11, 2001 and the fiscal year 2012 budget while manpower has almost doubled. There are close to 60,000 people that make up SOF as of March, 2011 (Olson, 2011). Even though USSOCOM's budget has grown rapidly they only make up 2% of the DoD budget and provide a high return on investment (ROI) (Feickert & Livingston, 2011). These statistics provide sound basis for analysis of USSOCOM's budget.

## **C. THE RESEARCH QUESTIONS**

There are four questions that this analysis will attempt to answer. These questions will help to provide recommendations:

- How have USSOCOM appropriations changed since September 11, 2001?
- What impact have manpower increases had on USSOCOM appropriations?
- How has USSOCOM spending for SOF peculiar equipment changed since September 11, 2001?
- How have USSOCOM congressional budget adds, plus ups and cuts changed from 2008 to 2010?

## **D. SCOPE, LIMITATIONS, AND ASSUMPTIONS**

The budgeting, authorization and appropriations process for any government organization is extremely detailed and complex. This study will be limited by the following factors:

- This study will not attempt to categorize politically charged changes to USSOCOM's budget.
- This study will not include military pay (MILPAY) but will analyze the effects of manpower changes on USSOCOM's appropriations.
- This study will not include military construction (MILCON).

This study will analyze the baseline budget requests and actual spending from fiscal year (FY) 2001–2010. Overseas contingency operations (OCO), and supplemental appropriations will be included in actual spending data but will not be included in baseline budget request data.

## **E. ORGANIZATION OF STUDY**

The following areas will be studied to answer the research questions. The second section will provide a detailed background of USSOCOM's budget, authorization and appropriation process.

The third section will describe the methodology of study and detailed data analysis. The fourth section will present the conclusions and recommendations for further study.

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## II. BACKGROUND

The relationship between the DoD and Congress plays out every year in a detailed closely followed budgeting process. The way the United States purchases items and funds the soldiers, sailors, marines, and airmen that make our military run is not simple. Changing military and political climates require the process to be refined and adapted to those times. The Goldwater-Nichols act of 1986 changed the process to separate funding for the SOF of our military in their own budget. Since September 11, 2001 historical events have driven changes to USSOCOM's budget.

Common best practices and recommendations for the budgeting process have been studied at great length. Figure 1 displays the connections between performance and budgeting.

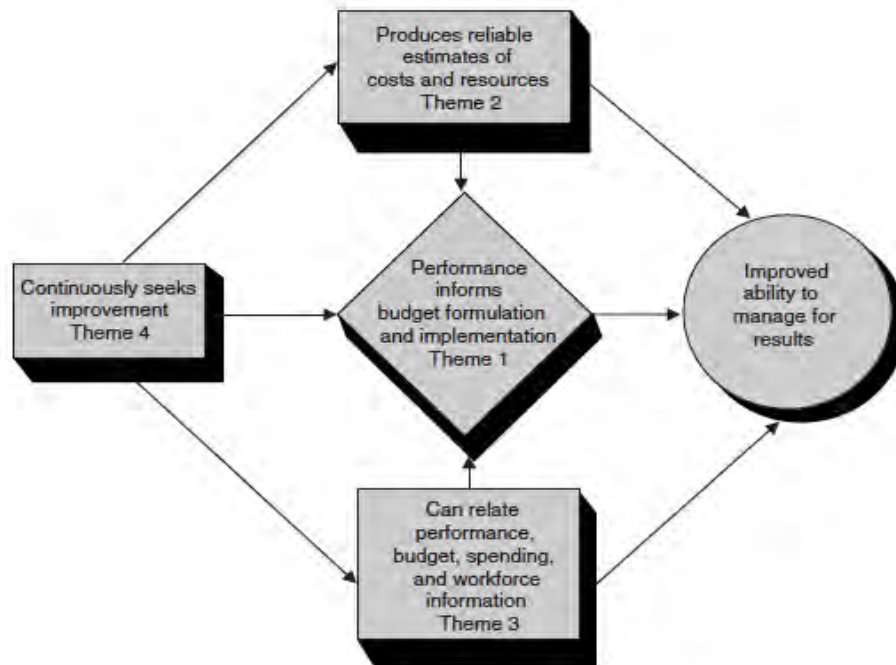


Figure 1. Framework for Results-Oriented Agency Budget Practices (From GAO, 2001)

Former commander of USSOCOM, Admiral Eric T. Olson, defined USSOCOM functions in testimony to the House Armed Services Committee as,

USSOCOM organizes, trains and equips Special Operations Forces and provides those forces to the Geographic Combatant Commanders under whose operational control they serve. The Command also develops special operations strategy, doctrine and procedures for SOF employment and develops and procures specialized equipment for the force.

These functions drive performance measures and within USSOCOM, are directly related to the wars we are fighting, and the results from those engagements. Major documents that help to guide performance measures are:

- National Security Strategy (NSS)
- National Military Strategy (NMS)
- Quadrennial Defense Review (QDR)

These documents start the planning phase of the cyclical budgeting process. It is known as the Planning, Programming, Budgeting and Execution (PPBE) process. Figure 2 displays the PPBE process on a calendar and illustrates the overlap. The next sections will detail each phase of the PPBE Process.

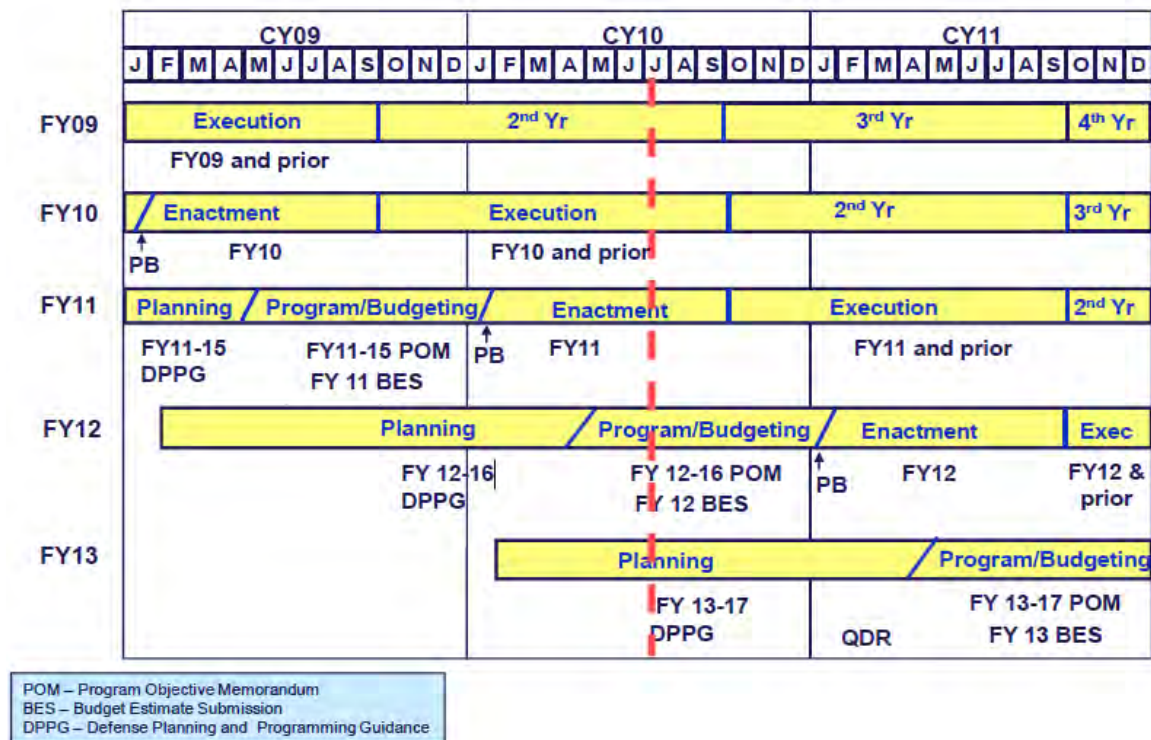


Figure 2. PPBE Process Overlap (From Potvin, 2011)

## A. UNDERSTANDING PLANNING, PROGRAMMING, BUDGETING AND EXECUTION

Planning initiates the commentary on what the needs of DoD are for the future fiscal year. Each service and combatant commander prepares a narrative that guides the next phase. The final product from the planning phase is the Defense Planning and Programming Guide (DPPG). This process is virtually never ending. Planning for the future is a constant process that the upper echelons of DoD always keep in mind as the force changes and adapts.

The goal of the programming phase is to define those programs (hardware acquisitions, technological development, force structure, logistics posture, manpower requirements, training needs, supporting infrastructure, C4I [(Command, Control, Communications, Computers and Intelligence)] capability, operating tempo, etc.) that will best meet the needs articulated in the planning phase within the fiscal constraints provided (Potvin, 2011). Programming takes a look at what was requested the previous

year and makes changes in line with the guidance from the planning phase. The final product from the planning phase is the Program Objective Memoranda (POM) and the Budget Estimate Submission (BES).

Budgeting finalizes the BES in accordance with the Office of Management and Budget (OMB) requirements for inclusion in the President's Budget. The offices with the most knowledge of the specific programs review the final numbers and formatting. A product of the budgeting phase is the Future Years Defense Plan (FYDP). The FYDP is an internal document to DoD that is used as the primary tool for the final President's Budget submission.

Enactment is the final phase of the congressional authorization and appropriations process. Congress uses the budget and makes the final decisions that will eventually become public law concerning the funding of DoD. The end products are the National Defense Authorization Act (NDAA) and the Appropriations Act - Defense. These bills must be executed by DoD and determine the ultimate fiscal funding. Any changes to funding after the bills have become public law must be approved by Congress through supplemental appropriations.

Execution is the process of spending the funds that have been allocated. It is DoD following the public laws that were enacted. PPBE is a formula for budgeting and funding that changes with the needs of DoD, the political climate and the operational climate.

## **B. UNDERSTANDING USSOCOM**

Prior to 1986, SOF was funded and budgeted by their parent commands. For example, the U.S. Navy funded the Navy SEALs and the U.S. Army funded the Army Rangers. However, the missions that were completed by SOF were joint missions, often requiring units from the Army, Navy, Marine Corps and Air Force.

Operation Eagle Claw was the event that motivated the change in funding and organization of the U.S. militaries special forces. During this mission, two helicopters crashed and eight service members died while attempting to rescue 53 American hostages



held at the U.S. Embassy in Tehran, Iran (USSOCOM Public Affairs, 2011). Operation Eagle Claw required the use of service members and assets from all of the military services and a lack of standardized training and operations resulted in tragedy.

Congress reacted and began an in-depth review of the structure and organization of SOF. A staff report written in 1985 to the Senate Armed Services Committee, titled “Defense Organization: The Need for Change,” strongly stressed the lack of joint organization throughout DoD, including SOF. The following year, Congress passed the Goldwater-Nichols Department of Defense Reorganization Act of 1986. This public law created USSOCOM (5100.03) and provided separate budgeting for SOF. USSOCOM is comprised of U.S. Army Special Operations Command, Naval Special Warfare Command, Air Force Special Operations Command and in 2005 added Marine Corps Forces Special Operations Command. Military personnel pay is the only funding that remains with the parent services.

Title 10 Authorities and responsibilities for USSOCOM that pertain to the budgeting process include the following:

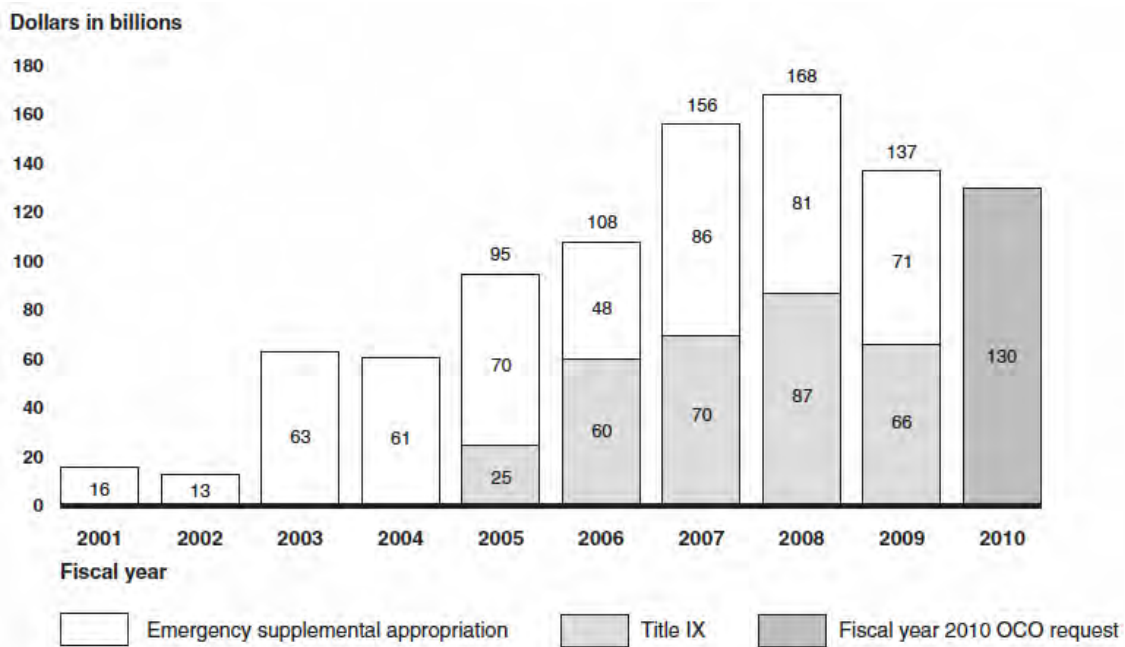
- Prepare and submit budget proposals for SOF
- Exercise authority, direction and control over special operations expenditures
- Validate requirements
- Establish requirement priorities
- Formulate and submit intelligence support requirements
- Develop and acquire special operations-peculiar equipment, material, supplies and services
- Acquisition of other material, supplies, or services that are peculiar to special operations activities.

It is important to define SOF peculiar equipment for terms of this report. DoD Directive 5100.03, February 9, 2011 defines special operations-peculiar as:

Equipment, material, supplies, and services required for special operations missions for which there is no Service-common requirement. These are

limited to items and services initially designed for, or used by, special operations forces until adopted for Service-common use by one or more Military Service; modifications approved by the Commander, USSOCOM, for application to standard items and services used by the Military Services; and items and services approved by the Commander, USSOCOM, as critically urgent for the immediate accomplishment of a special operations mission.

USSOCOM is said to receive about one-third of its funding through OCO funding, which is reportedly the most OCO funding within DoD. USSOCOM will transition away from supplemental and OCO funds to only a base budget. This move to the annual base budget is in keeping with congressional intent for the majority of DoD funding to be in the annual budget and facilitates greater congressional oversight of the USSOCOM budget (Feickert & Livingston, 2011). Figure 3 shows DoD total amounts of OCO and supplemental funds. OCO funding appropriations started in fiscal year 2005. It is important to note these non-traditional funding sources for puposes of this study.



Notes: From fiscal year 2001 through fiscal year 2009, Congress provided funds to DoD in emergency supplemental appropriations and Title IX of DoD's regular annual appropriation. These appropriations included funds that could be used for OCO. Except for fiscal year 2010, the figures reflect DoD's calculations of amounts available for OCO based on excluding funds that were appropriated for specific purposes, such as hurricane assistance. For fiscal year 2010, the figure reflects DoD's OCO funding request.

Figure 3. Funding Available to DoD for OCO (Fiscal Years 2001 through 2009) and DoD's Fiscal Year 2010 OCO Funding Request (From GAO, 2009)

The unique aspects of USSOCOM's budget and the short time frame that it has been in existence present interesting questions. It is certain that joint operations will continue in the future. The Goldwater-Nichols Act sets the framework for a joint military and the budget process has adapted with it. This study will look at those adaptations and how they have specifically affected USSOCOM. The following chapter will analyze the details of USSOCOM's budget, looking for reasons behind plus-ups, cuts and adds.

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### **III. USSOCOM BUDGET DATA ANALYSIS**

#### **A. METHODOLOGY**

To answer the research questions, the team worked in three phases to analyze USSOCOM's budgetary data. First, detailed data was collected pertaining to total budget, manpower, procurement and congressional changes. Second, the data was organized into tables and graphs related to each research question. All dollar amounts were normalized to fiscal year (FY) 2010 dollars using the joint inflation indices as directed by the Undersecretary of Defense for use by DoD cost estimators and the Naval Center for Cost Analysis (NCCA). The final phase analyzed the organized data and graphs to answer the research questions.

#### **B. DATA ANALYSIS**

##### **1. Analysis of USSOCOM Total Budget**

In order to analyze USSOCOM's total budget the team broke the budget into USSOCOM budget requests and total actual spending. The team did the same with the DoD budget and compared USSOCOM's budget to the overall DoD budget. MILCON funds were not included in this analysis.

The budget request represents the sum of the USSOCOM portions of the President's Budget for each year from FY 2000 to FY 2010. This data was obtained from each respective years President's Budget. These yearly President's Budgets were obtained from the Office of the Under Secretary of Defense (Comptroller) public website. These requests only include USSOCOM's baseline requests for Operation and Maintenance (O&M), procurement, and Research, Development, Test, and Evaluation (RDT&E). Actual spending represents what USSOCOM spent on procurement, O&M, and RDT&E in each fiscal year. Unlike the budget request portion, the actual spending contains baseline, OCO, and supplemental funding. These actual spending numbers for each fiscal year were obtained from the President's Budget two years after the request.

For example, the actual spending numbers for FY 2004 were obtained from the President's Budget for FY 2006. Figure 4 shows the relationship between USSOCOM budget requests and actual spending between FY 2000 and FY 2010.

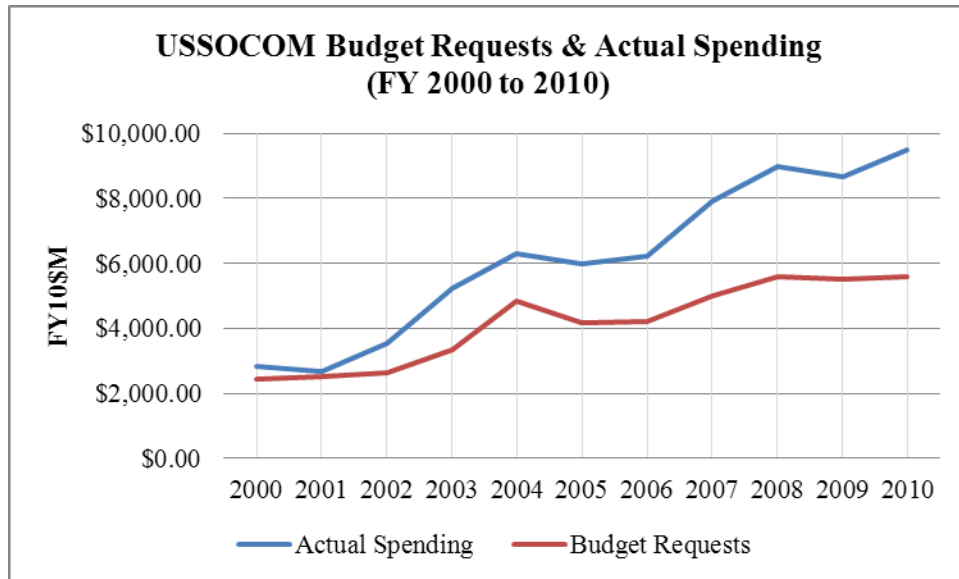


Figure 4. USSOCOM Budget Requests & Actual Spending (FY 2000 to 2010)

The next step was to take the budget request and actual spending portions of the overall DoD budget and analyze them the same way as the USSOCOM budgets. The budget request portion only contains the baseline budget requests for procurement, O&M, and RDT&E. The actual spending portion contains baseline, OCO, and supplemental spending. Figure 5 shows the relationship between total DoD budget requests and actual spending between FY 2000 and FY 2010.

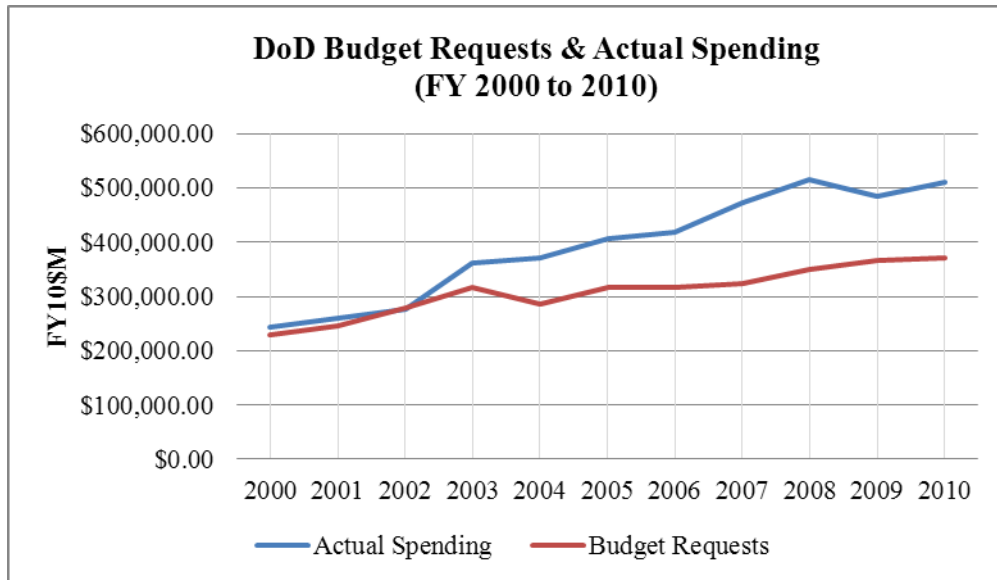


Figure 5. DoD Budget Requests & Actual Spending (FY 2000 to 2010)

In order to compare the USSOCOM budget to the DoD budget, Figure 6 was created. This graph overlays the actual spending and budget requests for both USSOCOM and DoD. Since the DoD budget is significantly larger than the USSOCOM budget the team utilized primary and secondary axis on this graph to show trends.

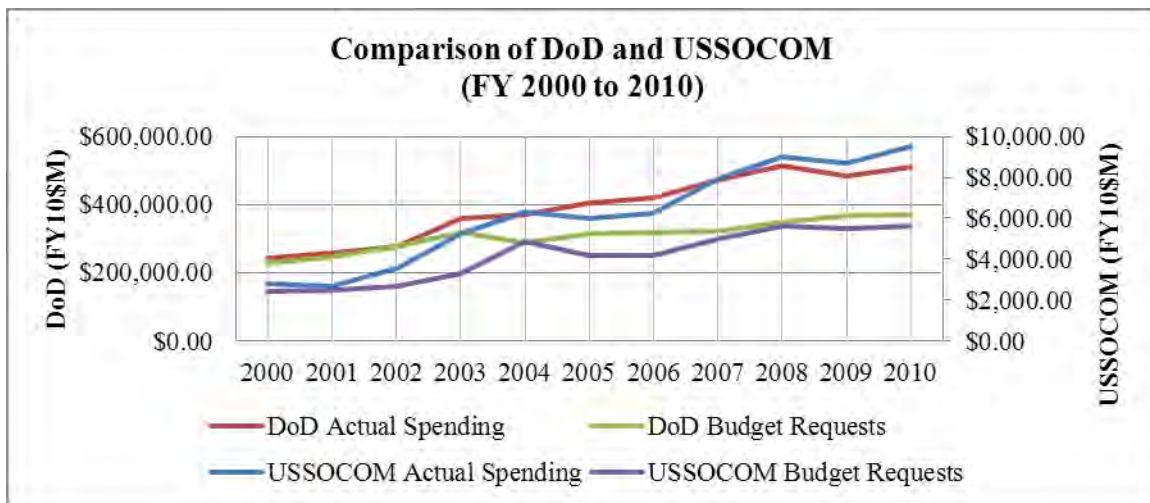


Figure 6. Comparison of DoD and USSOCOM (FY 2000 to 2010)

## **2. Analysis of USSOCOM Manpower Increases**

In order to effectively analyze manpower increases for USSOCOM, the team compared four items; USSOCOM manpower, DoD manpower, USSOCOM actual spending, and DoD actual spending.

In this section, DoD actual spending and USSOCOM actual spending refers to the DoD and USSOCOM actual spending numbers that were discussed in Section 1 of Chapter III. The actual spending totals for each fiscal year include baseline, OCO, and supplemental spending in procurement, O&M, and RDT&E. MILPAY and MILCON were not included in any analysis.

Manpower in this section refers to fiscal year end strength. This includes active duty military personnel and civilian employees. It does not include contractors. The data for DoD end strength was obtained from the National Defense Budget Estimates for FY 2010 (commonly referred to as the “Green Book”). This document provided DoD end strength from FY 1940 to FY 2010. The team analyzed DoD end strength from FY 2000 to FY 2010.

USSOCOM end strength numbers also include active duty military personnel and civilian workforce. This data was obtained from the USSOCOM FY Budget Estimates submitted for the Presidents Budget and was obtained from the Comptroller public website. USSOCOM end strength data for a given fiscal year was obtained from the FY Budget Estimate two years after the given fiscal year. For example, USSOCOM end strength data for FY 2004 was obtained from the FY 2006 Budget Estimate. Reliable data for USSOCOM end strength could only be found dating back to 2004. Therefore the team only analyzed USSOCOM manpower between the fiscal years of 2004 to 2010.

Figure 7 shows the comparison between DoD and USSOCOM manpower from FY 2004 to FY 2010. Over this six-year period, USSOCOM manpower increased from 47,569 to 57,180. This represents approximately a 20% increase. During this time frame DoD manpower increased from 2,184,000 to 2,229,000. This represents a 2% increase.



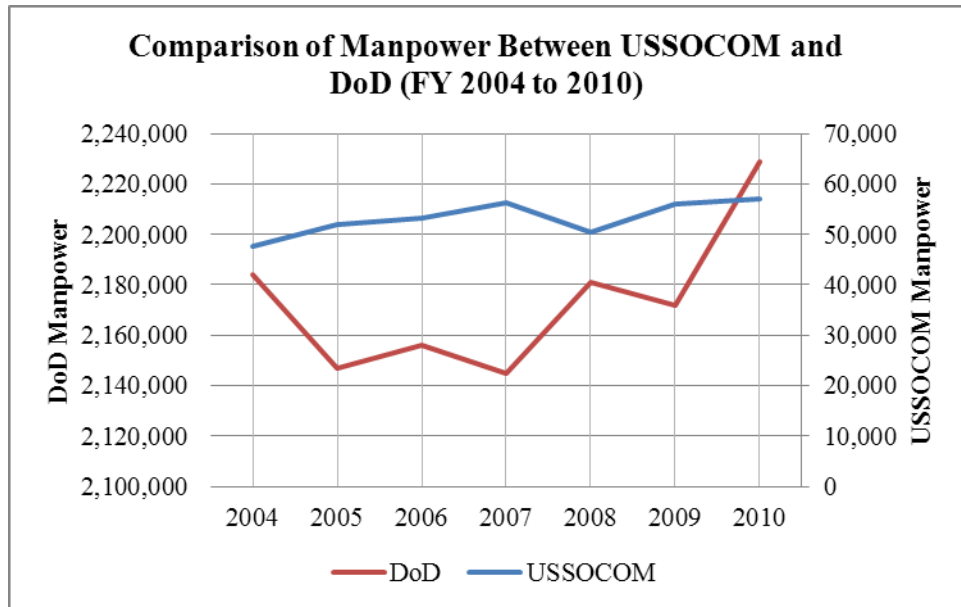


Figure 7. Comparison of Manpower Between USSOCOM and DoD (FY 2004 to 2010)

USSOCOM manpower increased 18% more than DoD manpower increased during this six-year period. To further analyze the affects of manpower increases on USSOCOM's budget, the team compared the spending increases of DoD and USSOCOM over the six year period. Figure 8 shows that USSOCOM spending increased from \$6,289.57 (FY10\$M) in FY 2004 to \$9,504.01 (FY10\$M) in FY 2010. This is an increase of approximately 51%. During this same time period, DoD spending increased from \$370,648.92 (FY10\$M) to \$510,168.50 (FY10\$M). This represents approximately a 38% increase.

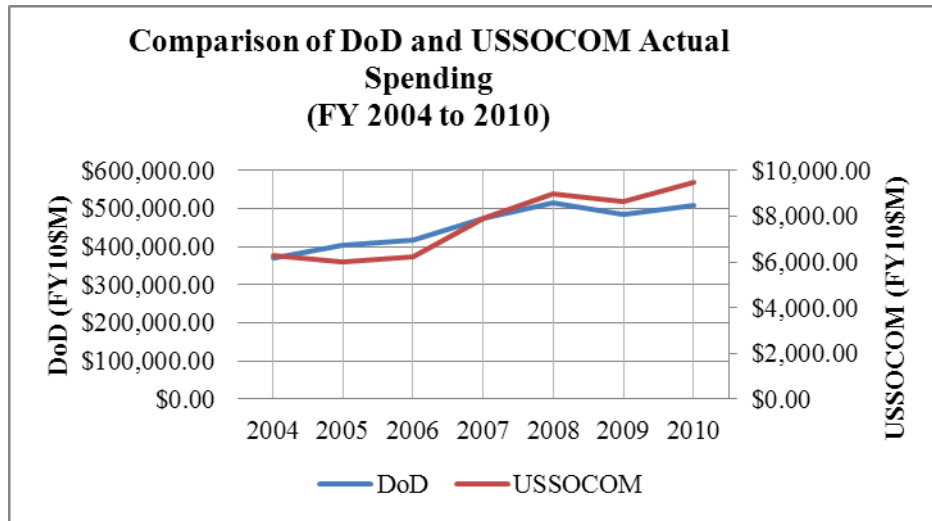


Figure 8. Comparison of DoD and USSOCOM Actual Spending (FY 2004 to 2010)

Figure 9 represents how much DoD and USSOCOM spend per person. In FY 2004, USSOCOM had an end strength of 47,569 and spent a total of \$6,289.57 (FY10\$M). This equates to spending \$132,219.98 (FY10\$) per person. In FY 2004, DoD had an end strength of 2,184,000 and spent a total of \$370,648.92 (FY10\$M). This equates to spending \$169,711.04 (FY10\$) per person. After further calculations, we see that in FY 2010, USSOCOM spent \$166,212.05 (FY10\$) per person while DoD spent \$228,877.75 (FY10\$) per person. Over the six-year period analyzed, DoD increased their spending per person by approximately 35% while USSOCOM spending per person only increased by approximately 26%.

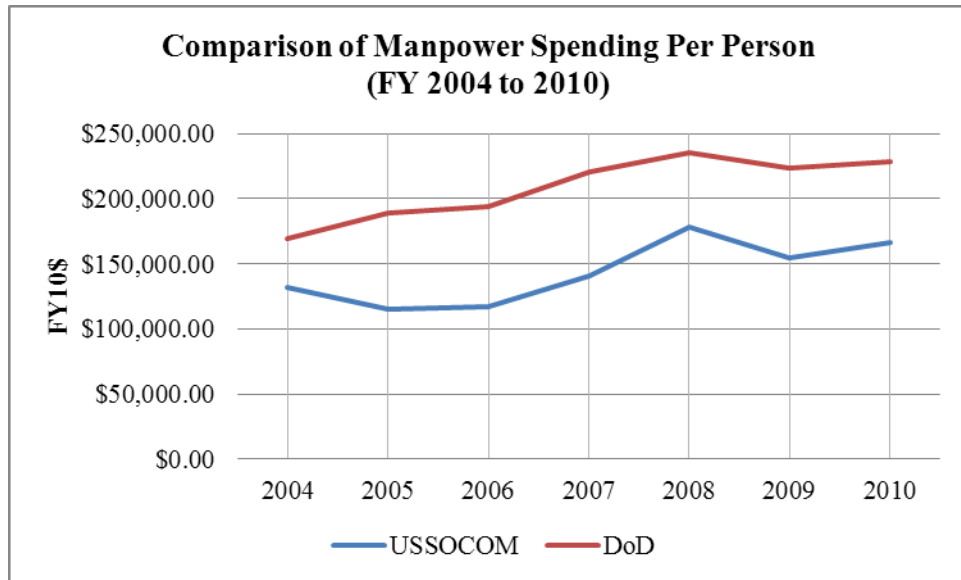


Figure 9. Comparison of Manpower Spending Per Person (FY 2004 to 2010)

### 3. Analysis of USSOCOM Procurement Budget

In order to analyze the procurement portion of USSOCOMs budget, the team compared USSOCOM’s budget requests and actual spending from FY 2000 to 2010. The budget request numbers discussed in this section only include USSOCOM’s baseline procurement request for each fiscal year. The actual spending totals for each fiscal year include baseline, OCO, and supplemental spending. This data was obtained as discussed in Section 1 of Chapter III from the President’s Budget.

Figure 10 shows the comparison between USSOCOMs budget requests and actual spending for procurement from FY 2000 to 2010.

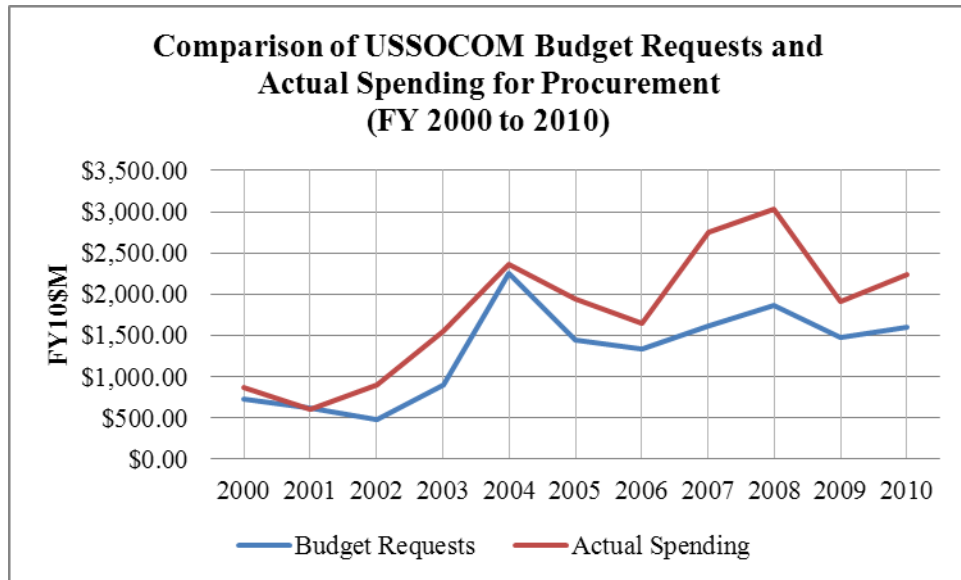


Figure 10. Comparison of USSOCOM Budget Requests and Actual Spending for Procurement (FY 2000 to 2010)

#### 4. Analysis of Congressional Impact from 2008-2010

In order to analyze the congressional impact on USSOCOM's budget, the team compiled data on congressional adds and cuts to USSOCOM's budget for O&M, Procurement, and RDT&E between FY 2008 and FY2010. This data was obtained from internal documents provided by USSOCOM. USSOCOM closely tracks congressional action on their portions of the budget. Figure 11 illustrates this data.

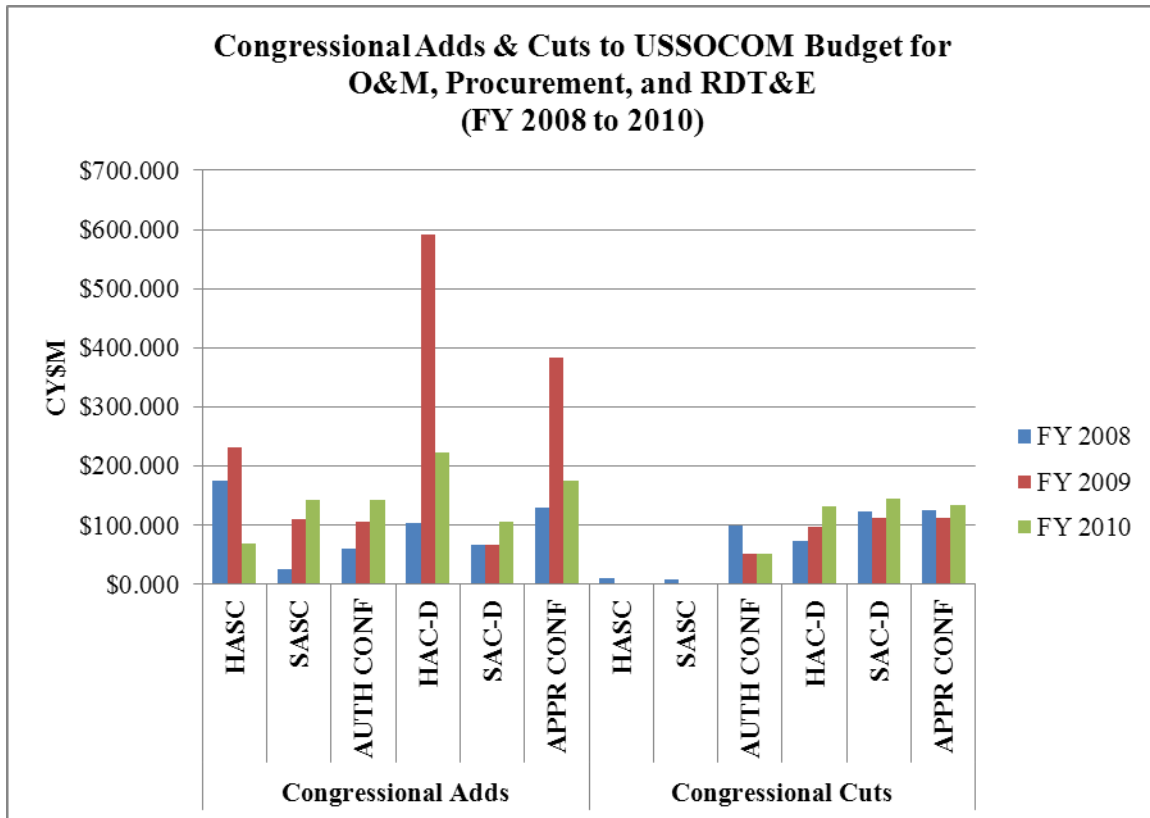


Figure 11. Congressional Adds & Cuts to USSOCOM Budget (FY 2008 to 2010)

**a. Unfunded Requirements**

The process of creating the President's Budget, as described in Chapter II, is the process for which baseline budgets are formulated prior to congressional adds, cuts and plus-ups. What appears to have even more of an influence in regards to USSOCOM's budget is the unfunded requirements list. In addition to the President's Budget submission all DoD services, including USSOCOM, maintain an unfunded requirements list that details those procurements the services would like to have but are not included in the budget request because they are a lower priority and do not fit within the funding ceiling set for the Department (Harrison, 2011). The Center for Strategic and Budgetary Assessments report, *Analysis of the FY 2010 Defense Budget*, by Todd Harrison, summarizes USSOCOM FY 2010 requests,

SOCOM... submitted a list of unfunded priorities that totals \$309 million. The largest and highest-priority item on this list is \$85 million for the modification of four additional MC-130W aircraft to provide day/ night

precision strike and mobility capability for Special Operations Forces. Other priorities include modifications to HMMWVs, procurement of hand-launched UAVs, and various types of support equipment ranging from radios to handheld imagers.

Unfunded requirements play a large role in USSOCOM's budget and are demonstrated in the form of earmarks. USSOCOM's base budget request for FY 2008–FY2010 have all been recommended for full funding by Congress and has resulted in little changes throughout the mark-up process. Looking at a few examples of earmarks illustrates this point.

*b. Earmarks*

A common way that Congress accomplishes add-ons and plus-ups to the USSOCOM budget is by earmarks. Earmarks are funds provided by the Congress for projects, programs, or grants where the purported congressional direction (whether in statutory text, report language, or other communication) circumvents otherwise applicable merit-based or competitive allocation processes, or specifies the location or recipient, or otherwise curtails the ability of the executive branch to manage its statutory and constitutional responsibilities pertaining to the funds allocation process (OMB, 2011). Earmarks are sometimes considered a form of “pork barrel” legislation, but this is not always the case. Two examples of earmarks in USSOCOM's budget will help to illustrate how they are implemented.

In FY 2010, Congress added an earmark, to the O&M portion of the USSOCOM budget. This particular earmark was for the “Special Operations Forces Modular Glove System”. In their FY 2010 budget request, USSOCOM requested zero funds for this system. However, they were appropriated \$4.78 (FY10\$M) for the system. This earmark was put into sponsored by four Representatives and five Senators, most of which are from states that will benefit financially from this endeavor. Justification for this earmark was found on Congressman Jim McDermott's public website,

The Special Operations Command has an established requirement for a Modular Glove System to better meet the real-world mission needs of its Special Operations Forces (SOF) in a broad range of deployed environments. The operator must be able to tailor his hand wear for

multiple sets of environmental conditions (i.e. desert to mountainous terrain, direct action mission profiles of short duration to extended cold weather operations while under heavy load) and maintain dexterity/comfort in the extremities. Recent operational experience indicates that users require improvements/additions to currently fielded glove systems. The SOF Modular Glove System utilizes five interchangeable gloves and applies the latest textile technology to reduce weight, minimize thermal discomfort in extreme cold weather, enable maximum dexterity, tactility, flexibility, protect the hand from heat and flame threats and provide exceptional moisture management.

According to the requestor, this is a good use of public funds because the Special Operations Command intends to provide its operators with a protective glove system that enables them to conduct operations in all battlefield conditions, including extreme cold weather environments. Developed to be compatible with the SOF's Protective Combat Uniform designed for frigid conditions, this SOF Modular Glove System will provide cold weather protection to -50 degrees as well as provide waterproof protection in wet conditions.

Another example from FY 2010 was an earmark added by Congress to the RDT&E portion of the USSOCOM budget. This earmark was for the Partnership for Defense Innovation (PDI) Wi-Fi Laboratory Testing and Assessment Center. USSOCOM requested zero funds for this center. However, they were appropriated \$2.8 (FY10\$M) for the center. This center is located in Fayetteville, North Carolina and three Representatives from North Carolina sponsored the earmark. The purpose of these funds is stated on Congressman Mike McIntyre's public website,

Funds will be used to support research, development, testing and validation of cellular technologies for battlefield communications. This funding allows the PDI Wi-Fi Laboratory Testing and Assessment Center to focus on one of the major tactical communications priorities. Cellular communications enables the tactical user to immediately share critical imagery, intelligence or information developed during tactical operations among individuals and small units, and to immediately transmit that information from ground teams to the appropriate higher operational commands.

The Modular Glove System and the PDI Wi-Fi earmarks are a way for Congress to bring government contracts to their districts and to help fund items on USSOCOM unfunded requirements list. The justification for such earmarks is mutually

beneficial to USSOCOM and the taxpayer. The subject of earmarks is a continuing topic of debate in Congress. USSOCOM will need to remain flexible in changing political environments and be conscious of how much earmarks have benefited their budget in previous fiscal years.

### **C. ANSWERING THE RESEARCH QUESTIONS**

How have USSOCOM appropriations changed since September 11, 2001? USSOCOM appropriations have changed since the addition of supplemental funding in 2001. Supplemental funding has caused a divide between budget requests and actual spending that continues to grow each year. This makes the task of switching to base budgeting increasingly difficult. In a constrained budget environment justifying budget request will become even more important. This overarching trend leads to looking at individual appropriations titles and how USSOCOM can refine its budget submissions.

What impact have manpower increases had on USSOCOM appropriations? Manpower increases have not affected USSOCOM appropriations as much as they have affected DoD appropriations. As shown in Figure 9, USSOCOM spends considerably less per person than DoD. Since 2000, USSOCOM manpower has almost doubled from close to 30,000 personnel to 60,000 personnel. This is a 100% increase. During this same time period, DoD manpower went from 2,147,000 personnel to 2,229,000 personnel. This represents less than a 4% increase. During this time period, actual spending for O&M, procurement, and RDT&E increased by approximately 109% for DoD and approximately 237% for USSOCOM. Spending per person during this time frame did increase for USSOCOM, but it did not increase proportionately to DoD's spending per person. Figure 9 shows that from FY 2004 to FY 2010, DoD increased their spending per person by approximately 35% while USSOCOM spending per person only increased by approximately 26%. This data shows that USSOCOM's increase in manning has had less effect on their spending per person as compared to DoD as a whole.

USSOCOM's manpower has nearly doubled since FY 2000, but overseas deployments have quadrupled during this time frame (Olson, 2011). Even though manpower numbers have increased, they have not increased proportionately to the



increase in USSOCOM's tasking. Essentially, USSOCOM is being asked to do more with less. A Congressional Research Service report for Congress states, this higher level of demand is causing SOF to show some "fraying around the edges" (Feickert & Livingston, 2011). In order to combat this, USSOCOM officials have introduced an initiative that aims to give SOF operators "more time at home". Currently, there is a lack of readily available, local ranges for SOF to conduct pre-deployment training. Such a lack of local ranges means SOF operators have to "travel to train," which further increases their time away from home (Feickert & Livingston, 2011). As USSOCOM grows in size and tasking, their infrastructure and training facilities must grow also. Because of this, USSOCOM manpower should be protected from further budget cuts.

How has USSOCOM spending for SOF peculiar equipment changed since September 11, 2001? USSOCOM's procurement profile, as shown in Figure 10, illustrates the least amount of change compared to the total budget. Budget requests and actual spending have been closer than any other appropriations title. Fiscal year 2004 was the smallest difference of budget requests and actual spending from 2001 to 2010. This trend shows that budgeting for SOF peculiar equipment is very close to actual spending.

How have USSOCOM congressional budget adds, plus ups and cuts changed from 2008 to 2010? Figure 11 displays congressional action for USSOCOM's budget favored adds. Fiscal year 2009 shows the greatest adds by the appropriations committees. The authorization committees made almost no cuts to USSOCOM's budget from 2008 to 2010. The appropriations committees in the House and the Senate have made the greatest impact on USSOCOM's budget from 2008 to 2010. Unfunded requirements list and earmarks have contributed multiple adds and plus-ups to USSOCOM's budget. Changing political environments and use of earmarks must be closely followed by USSOCOM in future fiscal years.

Looking closer at USSOCOM's budget, the RDT&E section provided a good example of congressional adds that were not solicited directly by USSOCOM. The RDT&E budget has had consistently rising trends from FY2008 to FY2010. The final appropriation has been much higher than USSOCOM's budget request. Table 1 displays the budget requests and final appropriations for RDT&E.

RDT&E	FY2008 (CY\$M)	FY2009 (CY\$M)	FY2010 (CY\$M)
Budget Request	\$374.163	\$360.862	\$401.443
Appropriation	\$449.597	\$487.579	\$473.417

Table 1. USSOCOM RDT&E Budget Request and Appropriations

One example of an unsolicited add was in the FY2010 budget. \$4.000 (CY10\$M) was added for research and development of transformer technology for combat submersibles (TTCS). The final appropriation was reduced to \$3.600 (CY10\$M). Despite this being an unsolicited add to the budget, USSOCOM's posture statements have echoed the need for increased submersible delivery capability. Admiral Olson's 2008 posture statement before the Senate Armed Services Committee detailed USSOCOM's "Undersea Mobility efforts... continue to provide capabilities that enable SOF to perform a wide range of specialized tasks." SOFs pivotal role in combat missions directly effects Congress' desire to outfit the warfighter with the best equipment available. The TTCS is an example of an unsolicited congressional add that keeps inline with the mission and focus of USSOCOM but RDT&E appears to be an appropriation title that might need to be cut in future years of budget constraint.

These trends and relationships are presented as informational data. They help to provide insight on areas that may require closer attention in the future by USSOCOM. Specifically, manpower and congressional authorization action show the greatest fluctuations. As the process for USSOCOM budgeting is refined these points may assist in the transition to an annual base budget without supplemental funding.

## **IV. CONCLUSION**

The purpose of this study was to look at USSOCOM's budget from 2001-2010. This project approached USSOCOM's budget by answering four questions. First, how have USSOCOM appropriations changed since September 11, 2001? Second, what impact have manpower increases had on USSOCOM appropriations? Third, how has USSOCOM spending for SOF peculiar equipment changed since September 11, 2001? Fourth, how have USSOCOM congressional budget adds, plus ups and cuts changed from 2008 to 2010? To answer the first question looking at budget requests and actual spending helped the team to see broader changes. Breaking USSOCOM's budget into appropriations titles allowed for answering questions pertaining to manpower and procurement.

The overarching trend for USSOCOM's total budget and procurement was that it followed the similar trends as DoD's budget. Manpower numbers had that largest percentage differences from DoD. USSOCOM's abilities have been increasingly called upon since September 11, 2001 and can account for this difference. Manpower should not be a focus of future budget cuts.

Congressional adds and cuts showed distinct changes in appropriation committees' markup of USSOCOM's budget but drilling down to individual examples showed budget changes keeping with USSOCOM requirements. Targeted spending in RDT&E should be essential in future budget years. Congress should look to add what USSOCOM requests and closely consider unsolicited adds with respect to earmarks and unfunded requirements. In the coming years of budget reductions and changing operational climates, USSOCOM's budget submissions will be even more closely reviewed. Awareness of past trends will help USSOCOM to make the best budget decisions possible.

### **A. RECOMMENDATIONS FOR FURTHER STUDY**

During research for this study, additional areas were discovered that the team recommends for future project topics.

USSOCOM will be transitioning funding to eliminate OCO and supplemental funding. A *Defense News* article states, “The command... uses the most Overseas Contingency Operations (OCO) funding within DoD. More than one-third of SOCOM's budget currently resides in war-fighting accounts.” (Weisgerber, 2011) Because OCO funding is so large for USSOCOM it was beyond the scope of this study. An analysis of USSOCOM’s transition to only a base budget and the effects of such a change is recommended.

USSOCOM’s unique title 10 responsibilities pertain only to SOF peculiar equipment. A study of the definition of peculiar equipment and if the budgeting process is effective for SOF peculiar equipment is recommended.

In 2010, DoD released the Quadrennial Defense Review (QDR). Expanding on the information from this study, a look at the QDR recommendations for USSOCOM and the effect on the budget would help to answer what will motivate future plus-ups, cuts, and adds.

These three questions would provide further insight to the changes in USSOCOM’s yearly budget. With an understanding of changes the budget can be formulated through the PPBE process to provide USSOCOM with the equipment and funds they need to complete their missions.

## APPENDIX: GLOSSARY

***Appropriation*** - Statutory authority provided by an act of Congress that permits Federal agencies to incur obligations and make payments from the Treasury. An appropriation usually follows enactment of authorizing legislation. An appropriation act is the most common means of providing Budget Authority (BA). Appropriations do not represent cash actually set aside in the Treasury; they represent limitations of amounts that agencies may obligate during a specified time period (DAU, 2011).

***Authorization*** - An act of Congress that permits a federal program or activity to begin or continue from year to year. It sets limits on funds that can be appropriated, but does not grant funding which must be provided by a separate congressional appropriation (DAU, 2011).

***Budget*** - 1.) A comprehensive financial plan for the federal government encompassing the totality of federal receipts and outlays (expenditures). Budget documents routinely include the on budget and off budget amounts, and combine them to derive a total of federal fiscal activity, with a focus on combined totals. 2.) A plan of operations for a fiscal period in terms of estimated costs, obligations, and expenditures; source of funds for financing, including anticipated reimbursements and other resources; and history and workload data for the projected program and activities (DAU, 2011).

***Current Year*** - The Fiscal Year (FY) in progress. Also called the execution year (DAU, 2011).

***Fiscal Year*** - For the U.S. government, the period covering October 1 through September 30 (12 months) (DAU, 2011).

***Fiscal Year Dollars*** - Dollars that include the effects of inflation or escalation and/or reflect the price levels expected to prevail during the year at issue (DAU, 2011).

***Manpower*** - The total supply of persons available and fitted for service. Indexed by requirements including jobs lists, slots, or billets characterized by descriptions of the required people to fill them (DAU, 2011).

***Procurement*** - Act of buying goods and services for the government (DAU, 2011)

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